

PROCEDURES FOR ADVANCE APPROVAL  
FOR THE PURCHASE OF GIFT CARDS  
FUNDED BY SPONSORED PROJECTS

**Note: Sponsored projects are identifiable by their XX5XXXXXX department number format. This form is for sponsored projects only.**

**This form should be signed and attached to the GIFT CARDS PRE-APPROVAL—SPONSORED form in CrimsonCorner. ORS or OSP will review your request and let you know if you are authorized to purchase gift cards.**

### **IMPORTANT TAX INFORMATION**

Generally, gift cards given to individuals (employees or non-employees) or to businesses are taxable and reportable to the IRS. In order to ensure University compliance with the laws and regulations requiring tax reporting for certain payments, rules must be followed when distributing gift cards.

The use of gift cards has the following restrictions for each group of recipients:

#### **Employees**

- Gift cards, regardless of value or use, provided to employees must be reported to Payroll. Reported information must include each recipient's (1) name, (2) employee id number, and (3) gift card amount. All information must be submitted to Payroll by December 5. Information on any gift cards issued after December 5 must be submitted by January 10 to Payroll Services. **The custodian of the cards and the department sponsor are responsible for timely reporting of these cards.**

#### **Non US Persons**

- Incentive gift cards, regardless of value, given to non-US persons must be reported to FS immediately after the card is provided to them. Financial Services will handle the withholding requirements within the time-frame allowed by the IRS. See the definition of non-US person below. A W-8BEN must be completed by the recipient. It must be LEGIBLE, COMPLETELY filled out, SIGNED and returned to FS along with the template information you will be provided if the purchase of gift cards are approved. **The department will be charged 30% tax on the grossed up amount of the gift card.** There is a possibility that a non-US person will not have a social security number or an individual tax identification number (ITIN). If so, the W-8BEN is still required, leaving blanks for the SSN. 'NONE' can be entered in the template under 'Recipient TIN'.
- The term "United States person" means:
  - A citizen of the United States
  - A U.S. entity (non-individual)
  - A resident alien for U.S. tax purposes
- A foreign (non-U.S.) person includes:
  - A nonresident alien individual
  - A non-U.S. entity (non-individual)

- Any other person that is not a U.S. person

**All Others**

- When gift cards with a value in excess of \$100 or multiple cards issued totaling \$100 or more are given to outside parties (non-employee individuals or companies) considered US persons, a W-9 form must be LEGIBLE, COMPLETELY filled out and SIGNED by the person receiving the gift cards. These signed W-9 forms as well as a list detailing the gift cards received by each person are to be submitted to ORS or OSP. Please be aware that the taxpayer identification information you will be transmitting is sensitive and should be carefully safeguarded. A 1099 will be issued to the recipient if, when aggregated with other reportable transactions from elsewhere in the University, the total dollar value is \$600 or more. **The custodian of the cards and the department sponsor are responsible for timely reporting of these cards to ORS or OSP.**
- Once the request has been approved, Financial Services will send a template to be used for this reporting. It should be all caps and completed as fully as possible. Recipient TINs (SSNs) and addresses are required. Use full name only, no nicknames. The completed template should be submitted to ORS or OSP.
- A Gift Card Summary (format attached) along with the template listing gift card recipients must be completed and submitted to ORS or OSP.
- All information must be submitted to ORS or OSP by December 5. Information on any gift cards issued after December 5 must be submitted by January 10. ORS or OSP must review/clarify data and aggregate it for submission to Financial Services by January 15.

Questions should be directed to:

- Tax reporting for outside parties: Stephanie Gibson, 325-0182
- Tax reporting for employees: Payroll department, 325-2961

By signing this document, you are acknowledging that you accept responsibility for collecting appropriate tax data and remitting it to the proper University department. **If the proper information is not collected you may be held personally liable for taxes due.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PHONE NUMBER

To be taken to the gift card policies for sponsored programs, click [here](#).

**GIFT CARD SUMMARY**

**This form must accompany gift cards reported to ORS or OSP at calendar year-end (December 5 and/or January 10 deadlines) for a full accounting of all gift cards purchased.**

DEPARTMENT NAME: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

		# of Gift cards	Value of Gift cards
Gift cards previously reported to Payroll (employees) (Enter the total number and total value of gift cards already reported to Payroll)	+		
Gift cards previously reported to FS (non-U.S. persons) (Enter the total number and total value of cards already reported to FS)	+		
Gift cards reported to ORS or OSP (outside parties) (Enter the total number and total value of gift cards reported to ORS or OSP for inclusion in 1099 reporting)	+		
Gift cards not yet used by anyone	+		
Total of gift cards reported (MUST match total # of gift cards received)	-		

SIGNATURE:

By signing below, you are certifying that the above information is complete and accurate.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
DATE